

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 19 JANUARY 2007**

I. CEFMS:

A. On 10 Jan 07, LTG Strock, USACE Commander and Chief of Engineers, visited the UFC Financial Systems Office in Huntsville. Linda Brooks, Deputy Director of Financial Systems, briefed the Chief on the office's efforts required in support of the CFO audit, the joint effort with CECI in developing a corporate repository, and its benefit to the RBC. Ms. Brooks also briefed the Chief on Public Key Infrastructure (PKI) technology to replace our current electronic signature capabilities, the efforts in support of national emergencies such as Hurricane Katrina, and our reach-back support of the mission in Iraq. The Chief spoke on the need to be efficient and the need to retain ability to surge when needed. He said we need to be cautious that we do not become so efficient and lean that we cannot function if need to surge such as in support of national disasters, and in our overseas support of efforts in Iraq and Afghanistan. He commented how the office's reach-back support had been such an asset to USACE. The chief was also very appreciative of the UFC's support in standing up the USACE Logistic Activity in Millington.

B. We created spreadsheets of depreciation recalculations on assets in the S1, S2, and S31 CFO Audit samples and provided the data to HQUSACE (CERM-F) and the PwC auditors

C. We hosted the CEFMS Configuration Control Board (CCB) meeting 9-11 Jan 07. Each RBC representative presented their requested enhancements to be discussed and voted on for approval by the members of the board. Some requests for enhancements were disapproved, some were withdrawn after discussion, some were approved with changes to the scope of the problem report and some were approved as stated. The chairman of the CCB will consolidate data discussed at the meeting to disseminate to the board members and the CEFMS team.

D. We developed method of accomplishment (moa)/debtor class edits for the expenditures screens in CEFMS. These edits will prevent moa code and vendor class mismatch updates to the database, which causes imbalances between government payables and public payables. The user must correct the information to complete processing.

E. We created an accrual view screen that any CEFMS user can access to view accruals. This screen will be modified to also assist users in providing data required by auditors, such as accrual amount before reversal. Currently reversal of an accrual deletes the accrual amount.

F. We modified the Bulk Government Order Certification screen to query in government orders by the bill reference number and without the certification field checked. Additionally, edits were added to require that user's electronic signature card to enter the screen.

G. We reviewed the Prompt Pay Interest Computations on 3 Jan 07. There was some misconception that interest was being applied to contracts where the certified date was earlier than the contractual pay date. We researched data for one particular USACE activity and found only two payments with interest, both of which had a certified pay date later than the contract pay date.

H. We manually computed the allowance for doubtful accounts on several USACE activities based upon a request from HQUSACE (CERM-F) and PwC Auditors. They had stated that they could not come back to the dollar amounts that were computed during year-end closing. We found that the dollar amounts computed in the closing program on 1 Oct 05 were correct.

I. We have written several more problem reports for the Treasury Offset Program (TOP) functionality. We mapped data elements from Treasury's vendor match file to a new CEFMS table that will keep the data on our vendors that have a match with their output file.

J. We revised the CEFMS Users Manual for the Operating Budget Module. The new version includes changes and new reports which have been fielded since February 2005. Significant changes include being able to identify budgeted labor exempt from overhead, additional options for revising a budget due to reorganization, ability to calculate overhead rates based on budget or actual amounts, and including Cross Charge Labor (CCL) based on the performing or requesting FOA in execution reports.

K. We revised the process used to submit upward manpower execution reports to CEEMIS to accommodate separate manpower reports for the USACE Logistics Activity (ULA), which resides on

the USACE Finance Center database. This process will also be available for the IM/IT organization when it is 'stood up' on the Engineer Research and Development Center (ERDC) database.

L. We revised the Manpower Extract and Distribution program to accommodate an unusual scenario at San Francisco District where hours charged to a flat rate supervision and administration (S&A) account were not reported because San Francisco has no military projects. The work was done under the Cross Charge Labor (CCL) functionality, and cited a labor charge code provided by a USACE activity. Under the original program, hours charged to S&A accounts are reported as military. However, because an activity had no military projects, we revised the program to report these hours against civil appropriations.

M. After providing eleven South Pacific Division (SPD) activities with extensive training on closing cost shared projects the week of 30 Oct 06, no SPD districts had updated CEFMS screen 10.92 that monitors closing progress and sends email status (completion summary reports) to the responsible management official. Ending 18 Dec 06, only three of 209 cost share projects which reflect a completed status were closed. We contacted both the SPD RMO and F&A Officer to advise of our finding and to recommend management emphasis and oversight to resolve potential audit findings.

N. We monitored the Cost Share Completion Summary Report. As of 16 Jan 07, USACE had 1849 active cost share projects. Additionally, there were 1003 cost share projects that were either fiscally or physically complete which needed to be closed. This is an increase of 1 from the 1002 projects which needed to be closed on 14 Dec 06 and demonstrates USACE activities did not make progress in closing these completed projects this past month. Management attention is needed to get these completed cost share projects closed. An email is sent to cost share responsible employees each month advising which projects need to be closed. The Cost Share Completion Summary Report provides this information by USACE activity.

O. We monitored the cost share automated withdrawal program. For 14 Jan 07, the program withdrew \$39 million from sponsor advance accounts and \$4 million from sponsor work-in-kind accounts for 868 sponsors for 38 USACE activities. The Cost Share Automated Withdrawal Report provides this information by USACE activity.

P. We added new elements to several military reports that had been requested by USACE activities, such as adding foreign

currency detail to the DSAM/DSAC reports, adding allotment code to the ICAR for transaction code (TRC) '19', and adding the labor transfer changes to the ICAR TRC '26', and adding new appropriations to the foreign currency flux report. We also added and changed general ledger accounts in the Chart of Accounts per the CFO initiative.

Q. We have continued to work on the new project of combining the DCAS, ODSICAR and the ODS daily transactions into one file transfer. We have reviewed and researched October transactions and have reconciled the ICAR, delmar and daily transactions and all are in balance.

R. We completed the testing of a new edit placed in all expenditures forms that prevents the creation of a payable when the vendor type does not match the method of accomplishment on the purchase request. A new CEFMS correlation table was created to store the valid correlations of debtor class code and method of accomplishment. The table was loaded and moved to production along with all of the modified forms.

S. We moved to production an enhanced version of the unfunded liability screen that no longer relies on a hard coded correlation id for the insertion of general ledger update. The modified form also allows the user to enter a lump sum amount rather than the required quantity "x" unit price on the previous version. Also, we corrected the update to cost account detail table. Existing code failed to update properly in certain conditions.

T. We disabled the option to create Non-Economy Act Order type purchase requests along with the government order approval screen in CEFMS on 10 Jan 07. There was confusion at USACE activities pertaining to the legal requirements of the Non-Economy Act Order type and the responsibilities of the new CEFMS role GOVT_ORDER_APPROVER. We are now awaiting clarification from HQUSACE (CEFM-F) on how and when Non-Economy Act Orders will be implemented throughout USACE.

U. We generated data files and spreadsheets of the construction-in-progress, land, buildings and structures, equipment, intangibles, other assets, and leasehold improvements universe for 1st Quarter FY07. These files were made available for to the PricewaterhouseCoopers (PwC) auditors.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	774	767
Priority #1 Problems	106	101

We received 105 new problem reports and completed 98 problem reports.

B. Database Imbalances on our 59 Production Activities:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	57	55
One	1	3
Two	0	1
Three	1	0

III. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON:	208
HUNTSVILLE:	24
USACE HQ:	1
TOTAL:	233

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH Jan 01-16	YEAR TO DATE Oct 01-Jan 16
CHECKS:		
CHECKS ISSUED	3,145	26,681
PERCENT OF TOTAL	7%	8%
DOLLAR AMOUNT	\$35,707,695	\$318,311,285
EFT:		
TRANSFERS MADE	20,415	176,979
PERCENT OF TOTAL	93%	92%
DOLLAR AMOUNT	\$1,026,619,413	\$6,795,350,905

*percentages adjusted for utility checks which do not have to participate in EFT

IV. OTHER UFC ISSUES:

A. The CFO/Civil Reports Division completed submission of the 1st Quarter FY 2007 Civil Works Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, Statement of Financing and accompanying footnotes. We met all reporting deadlines. We continue to participate in daily teleconferences with DFAS, OSD, and the components regarding the statements, notes and other issues until the statements are submitted to the Office of Management and Budget on or about 21 Jan 07.

B. We reconciled payable to receivable and revenue to expense between the civil works appropriations and the other Defense Agencies that also have a waiver in the intra-governmental eliminations process. These agencies are Defense Contract Audit Agency, Defense Commissary Agency, Defense Finance and Accounting Service and Defense Threat Reduction Agency. The elimination data universes in CEEMIS were used to compile and reconcile the transactions to the general ledger balance, and to assign trading partner codes. We now have the capability to make corrections to the universe for missing or incorrect coding.

C. We received numerous new requests in the last week from PricewaterhouseCoopers PwC) for data and explanations. Requests include explanation of relationships between certain lines on the financial statements, journal voucher copies, explanation of journal vouchers from FY 2005, reconciliation of Statement of Budgetary Resources to SF133-Report on Budget execution, explanations for various linear projection analysis questions, and support for intra-governmental supplementary information schedules. We will work on these requests after addressing questions from the Office of Undersecretary of Defense Comptroller regarding the 1st Quarter statements and notes.

D. The UFC Travel Division is processing PCS vouchers received on 3 Jan 07.

E. We have completed the revisions to our annual customer service survey and have again made it available for electronic completion by all USACE activities. The suspense for submissions to the survey is 9 February, and we will publish results on our public website.

F. During the first quarter of FY07, we processed about 69,000 documents into our document imaging system and 22,000 incoming packages and envelopes in our mailroom. We also logged about 20,000 incoming checks into our checks received for deposit database. Our information management staff responded to 645 help desk requests covering all types of PC and user support, telephone problems, employee moves, and support for training and special events. The Facility Manager handled 141 help desk requests for facility trouble calls/maintenance and maintenance of CEFMS esig cards/common access cards.

G. Like most USACE Major Subordinate Commands, the Finance Center will experience a shortfall in Executive Direction and Management (ED&M) General Expense funding during the continuing resolution period ending 15 Feb 07. Once the needed appropriation bills are passed, it is hoped adequate funding will be available to cover our operations cost. Any ED&M funding shortage will increase our reimbursable billed cost. Additionally, the UFC recently revised its FY07 operating budget to reflect changes resulting from implementation of the Accounting Support Services A-76 competition final decision.

H. We converted about 1,000 square feet of warehouse space into a meeting room. This space will replace two conference rooms which we have transferred to the USACE Logistics Center. The alterations were completed at a nominal cost - the primary amount being for carpet.